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DEPARTMENT OF ENVIRONMENTAL QUALITY

PUBLIC HEARING AND REQUEST FOR PUBLIC COMMENT
CHALMETTE REFINING, L.L.C./CHALMETTE REFINERY

HYDROCRACKER UNIT PRETREATER #3

REFORMER #3 LIGHT ENDS PLANT

BOHEMIA, PLAQUEMINES PARISH

AI 1376/P-3015-VO/PER19960009
Oil Movement & Loading

AI 1376/P-3004-VO/PER19960010
Flares # 1 & 2

AI 1376/P-3016-VO/PER19960011
Aromatics

AI 1376/P-3017-VO/PER19960012

Sulfur Recovery Unit-Hydrodesulfurization Unit-
Sour Water Stripper Waste Gas System Benzene
Recovery Unit Liquid Petroleum Gas Recovery

The public hearing in the above titled
matter was taken at the Department of
Environmental Quality, 602 North Street, Galvez
Building, Natchez Room, Baton Rouge, Louisiana,
beginning at 6:00 p.m. on May 11, 2006.

BEFORE: Mark LaCour, Certified Stenomask
Reporter in and for the State of Louisiana

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H E A R I N G

MR. WARD:

Good evening. Let the record reflect that the time is six p.m. My name is Roger Ward. I am an attorney and I work for Louisiana Department of Environmental Quality. I will be serving as the hearing officer this evening, Thursday, May 11, 2006. For the record, due to the situation in St. Bernard Parish after the hurricanes and to assure a better opportunity for the public to attend this public hearing, LDEQ previously held this public hearing on May 9, 2006 in Chalmette, Louisiana to receive comments regarding the proposed permits for Chalmette Refinery.

This hearing is scheduled to accept public comments concerning the proposed initial Part 70 air operating permits and the associated Environmental Assessment Statement for the following eight units: Hydrocracker Unit-- Pretreater number 3-Reformer number 3-Light Ends Plants, permit number 3015-

1 VO, activity number PER19960009. Oil
2 Movements and Loading, permit number
3 3004-VO, activity number PER19960010.
4 Flares number 1 and 2, permit number VO
5 -- I'm sorry, 3016-VO, activity number
6 PER19960011. Aromatics, permit number
7 3017-VO, activity number PER19960012.
8 Sulfur Recovery Unit-
9 Hydrodesulfurization Unit--Amine
10 Treating Unit-Sour Water Stripper-Waste
11 Gas System-Benzene Recovery Unit-Liquid
12 Petroleum Gas Recovery, permit number
13 3023-VO, activity number PER19960014.
14 This hearing will also cover these units
15 previously public noticed on January 27th
16 and February 10, 2006. Cat Feed
17 Hydrotreater-Pretreater number 1
18 Reformer number 1 Gasoline Hydrotreater,
19 permit number 3011-VO, activity number
20 PER19960007. Fluidized Catalytic
21 Cracking Unit and Alkylation Unit,
22 permit number 3022-VO, activity number
23 PER19960013. And finally number 1
24 Crude/Coker Unit, permit number 3018-VO,
25 activity number PER19960008. The Agency

1 Interest Number is 1376. All units are
2 located in the Chalmette Refinery. The
3 site is located at 500 West St. Bernard
4 Highway, on the left descending bank of
5 the Mississippi River at Mile 89 above
6 Head-of-Passes in Chalmette, St. Bernard
7 Parish. Chalmette Refining, LLC, is a
8 joint venture between Exxon/Mobil
9 Corporation and Petroleos de Venezuela,
10 the Venezuelan National Oil Company.
11 Chalmette Refinery is an integrated
12 crude operation (high conversion) which
13 includes crude distillation, catalytic
14 reforming, fluid catalytic cracking,
15 hydrocracking, HF alkylation, delayed
16 coking, and aromatics processing units.
17 The refinery is capable of producing
18 gasoline, diesel, Benzene/toluene/
19 xylene, distillates and sulfur recovery
20 as well as by-products such as petroleum
21 coke and LPG. Chalmette Refining, LLC
22 proposes to bring the previously listed
23 units under Part 70 air permitting
24 requirements. The Environmental
25 Assessment Statement submitted by the

1 applicant addresses avoidance of
2 potential and real environmental
3 effects, balancing of social and
4 economic benefits against environmental
5 impact costs, and alternative sites,
6 projects, and mitigative measures. This
7 Hearing is not being conducted in a
8 question and answer format. Please
9 remember that the purpose of this public
10 hearing is for DEQ to receive your
11 comments concerning the proposed initial
12 Part 70 air operating permits and the
13 associated Environmental Assessment
14 Statement. This hearing is to provide
15 all individuals a chance to be heard
16 regardless of their position on the
17 proposed initial Part 70 air operating
18 permits and the associated Environmental
19 Assessment Statement. Courteous
20 behavior is expected at all times. You
21 may speak in support of the permit; in
22 opposition to the permit; or simply to
23 provide additional information. All
24 interested parties will be given a
25 reasonable opportunity to comment,

1 unless testimony is not related to the
2 purpose of the hearing. Your comments
3 will be evaluated and addressed in the
4 Department's written response.

5 A public notice advertising this
6 public hearing and request for public
7 comment on the proposed initial Part 70
8 air operating permits and the associated
9 Environmental Assessment Statement was
10 published in the St. Bernard Voice,
11 Arabi, Louisiana, The Times Picayune,
12 New Orleans, Louisiana, the Plaquemine
13 Gazette, Belle Chasse, Louisiana and The
14 Advocate, Baton Rouge, Louisiana on
15 March 24, 2006 and April 7, 2006. A
16 copy of the proposed initial Part 70 air
17 operating permits and the associated
18 Environmental Assessment Statement is
19 available for inspection and review at
20 the LDEQ, Public Records Center, Room
21 127, 602 North 5th Street, Baton Rouge,
22 Louisiana. Viewing hours are 8:00 a.m.
23 to 4:30 p.m., Monday through Friday,
24 except holidays. Additional copies may
25 be reviewed at the following locations:

1 St. Bernard Parish Council Office, 8201
2 West Judge Perez Drive, Chalmette,
3 Louisiana, Plaquemine Parish Library,
4 Belle Chasse Branch, 8442 Highway 23,
5 Belle Chasse, Louisiana, New Orleans
6 Public Library, Headquarters, 219 Loyola
7 Avenue, New Orleans, Louisiana, East
8 Baton Rouge Parish Library,
9 Headquarters, 7711 Goodwood Boulevard,
10 Baton Rouge, Louisiana, LDEQ Southeast
11 Regional Office Mandeville, 645 North
12 Lotus Drive, Suite C, Mandeville,
13 Louisiana and Bayou Lafourche Regional
14 Office, 110 Barataria Street, Lockport,
15 Louisiana.

16 In addition, copies of the public
17 notice were mailed to individuals who
18 have requested to be placed on the
19 mailing list maintained by the Office of
20 Environmental Services on March 24,
21 2006. In accordance with Louisiana
22 Administrative Code, Title 33, Part III,
23 Sections, 531.A.3.C, comments received
24 by 12:30 p.m., Monday, May 15, 2006,
25 will be considered prior to a final

1 decision. All comments received by
2 12:30 p.m., Monday, May 15, 2006, shall
3 be retained by the Department and
4 considered in determining whether to
5 issue or deny the proposed initial Part
6 70 air operating permits and the
7 associated Environmental Assessment
8 Statement. Written comments on the
9 proposed initial Part 70 air operating
10 permits and the associated Environmental
11 Assessment Statement may be submitted to
12 Ms. Soumaya Ghosn, LDEQ-Office of
13 Environmental Services, Environmental
14 Assistance Division, P. O. Box 4313,
15 Baton Rouge, Louisiana 70821-4313.

16 Under Louisiana Revised Statutes
17 30:2017, as revised by the legislature
18 in the 2004 session, the Department is
19 required to follow the following order
20 with the provision that the presiding
21 officer may give preference to a public
22 official to speak at any time during the
23 hearing. However, any time limit set
24 for citizen testimony shall apply to
25 public officials. The Department must

1 provide up to 30 minutes to the permit
2 applicant for the introductory
3 presentation. Thereafter, preference
4 for speaking up to one hour is given as
5 follows: For the first hour, to those
6 citizens who live within a two mile
7 radius of the location of the facility;
8 For the second hour, to those citizens
9 who work within a two mile radius of the
10 location of the facility; And for the
11 third hour, to those citizens who live
12 within the parish of the location of the
13 facility. Thereafter, each hour of the
14 hearing shall alternate between those
15 who are in support of the proposed
16 initial Part 70 air operating permits
17 and the associated Environmental
18 Assessment Statement and those who are
19 opposed to the operating permits and the
20 associated Environmental Assessment
21 Statement. The order of tonight's
22 hearing will be based on the information
23 provided by the speaker on the
24 registration form. Anyone who
25 registered to speak but did not provide

1 the necessary information will be given
2 an opportunity to speak; however, they
3 will be called last in the order of
4 registration.

5 This hearing is being transcribed;
6 therefore, I will ask that each speaker
7 begin by stating for the record their
8 name, address, and any organization he
9 or she may represent. I would like to
10 remind you all to please turn off your
11 cell phones. Thank you. At this time I
12 would like to ask the permit applicant's
13 representative to come forward and make
14 her introductory presentation.

15 MS. WALK:

16 Thank you, Mr. Hearing Officer.
17 Can you hear?

18 MR. MARTIN:

19 We can hear, thank you.

20 MS. WALK:

21 My name is Charlene Walk. My
22 address is 500 West St. Bernard Highway.
23 I'm representing Chalmette Refining. We
24 appreciate the opportunity to comment on
25 the matter before you. As I mentioned

1 my name is Charlene Walk. I am the
2 Title V coordinator at the Chalmette
3 Refining, LLC. The refinery is located
4 at 500 West St. Bernard Highway,
5 Chalmette, St. Bernard Parish,
6 Louisiana. I'm glad to be here this
7 evening to make a short statement for
8 the record describing the next
9 applications that Chalmette Refining has
10 submitted to the Louisiana Department of
11 Environmental Quality for the Title V
12 permits. This hearing will cover the
13 last eight of eleven Title V
14 applications. These Title V
15 applications include the following:
16 First, the Cat Feed Hydrotreater, Number
17 1 Pretreater, Number 1 Reformer and
18 Gasoline Hydrotreating Units; Second,
19 the Number 1 Crude/Coker Units; Third,
20 the Hydrocracker, Number 3 Pretreater,
21 Number 3 Reformer Units and Light Ends
22 Plant; Fourth, the Fluidized Catalytic
23 Cracking and Alkylation Units; Fifth,
24 the Sulfur Recovery and
25 Hydrodesulfurization, Amine Treating,

1 Sour Water Stripper, Waste Gas System,
2 Benzene Recovery and Liquified Petroleum
3 Gas Recovery Units; Six, is the
4 Aromatics Unit; Seven is the Number 1
5 and Number 2 Flares and eight, the Oil
6 Movements and Loading Areas.

7 First, I'd like to provide a
8 little background on the Title V process
9 and tell you what Chalmette Refining is
10 doing to comply with these requirements.
11 The Federal Clean Air Act Amendments
12 required the EPA to consolidate
13 regulatory actions at facilities to
14 standardize the permitting process and
15 combine emission limits, controls,
16 monitoring, record keeping and reporting
17 into one document to serve as a single
18 point reference for the regulators and
19 the public. The Title V permitting
20 approach is to process by which this is
21 accomplished. The Federal EPA Air
22 Program is administered in Louisiana by
23 the Louisiana Department of Environment
24 Quality.

25 Chalmette Refining previously

1 submitted consolidated Title V
2 applications in 1996 and 1999. Starting
3 in 2003, Chalmette Refining began the
4 process to amend the Title V
5 applications. A decision was made to
6 divide the refinery into eleven separate
7 areas to facilitate the preparation of
8 individual Title V applications. The
9 eight applications referenced above are
10 the last eight of the Title V
11 applications to be processed by the
12 Louisiana Department of Environment
13 Quality for the Chalmette refinery.
14 Three previously submitted Title V
15 applications have been issued as
16 permits; one for the Utilities Area, one
17 for the Number 2 Crude/Coker Units and
18 one for the Waste Water Treatment Plant.

19 The refinery organized teams
20 consisting of process, maintenance,
21 operations, and regulatory personnel to
22 prepare the information required for the
23 applications. Each team evaluated each
24 piece of equipment in their areas to
25 determine the amount and composition of

1 any emissions. In addition, normal
2 maintenance and periodic turnaround
3 activities were evaluated to define
4 frequency and amounts of emissions
5 associated with these activities.

6 The teams utilized all of the
7 gathered information to prepare the
8 various sections comprising the
9 applications and document the emissions
10 associated with the activities in these
11 areas. Each application contains an
12 introductory section where the
13 background, facility location and
14 description of the processes that are
15 included in the application are
16 described. In this section Chalmette
17 indicates that in addition to fulfilling
18 the requirements for a Title V permit
19 application, a number of changes were
20 also incorporated. These included:
21 First, separating the previously
22 submitted consolidated permit
23 application into eleven areas as I
24 mentioned above. Can you all hear me?
25 Second, updating emission source

1 estimating methodologies such as
2 updating factors and calculational
3 procedures. Third, revising the
4 information from existing permits and
5 revising emission source calculations to
6 reflect current operating levels.
7 Fourth, describing project design
8 changes for projects that were
9 previously permitted. Fifth,
10 incorporating proposed projects. Sixth,
11 deleting emission sources that are no
12 longer in the operation. Seven,
13 updating the facility minor emission
14 sources and Insignificant Activity list.
15 Eighth, incorporating previous small
16 source permits and ninth, incorporating
17 existing sources that were not
18 previously permitted and last, proposing
19 several specific permit conditions.

20 The projects described in the
21 introductory section of the applications
22 are summarized as follows. The
23 Fluidized Catalytic Cracking Unit, the
24 FCC, application includes the addition
25 of Oxygen Enrichment and Turnaround

1 Projects. The main purpose of the
2 Oxygen Enrichment Project is to enrich
3 the air sent to the regenerator with
4 oxygen to improve combustion, increase
5 unit conversion and thereby raise the
6 unit capacity by approximately 5,000
7 barrels per day. The project consists
8 of the installation of new piping, new
9 internal parts for some major equipment
10 such as the reactor and the Main
11 Fractionator, and the replacement of
12 several components due to age or
13 deterioration. The primary purpose of
14 the Turnaround Project is to improve
15 performance, provide spare capacity and
16 decrease energy usage. The project
17 consists of the replacement of the
18 internal riser in the Reactor,
19 installation of a new spare pump in the
20 Slurry Pump-Around system, installation
21 of a new exchanger and associated piping
22 and instrumentation. The emission
23 impacts from these projects have been
24 evaluated and confirmed to be below
25 threshold levels.

1 The Sulfur Recovery Unit, the SRU
2 application, includes the addition of
3 the Ultra Low Sulfur Diesel Project and
4 the Sulfur Pit Gas -- excuse me, the
5 Sulfur Pit Gas Recovery Project. The
6 primary purpose of the Ultra Low Sulfur
7 Diesel Project is to allow the refinery
8 to produce low sulfur diesel in
9 compliance with the EPA highway diesel
10 regulations that go into effect in 2006.
11 The project consists of the installation
12 of a new larger hydrodesulfurization
13 reactor and a new recycle gas scrubber
14 and associated piping. The primary
15 purpose of the Sulfur Pit Gas Recovery
16 Project is to recover vapors from the
17 SRU sulfur pits and recycle them back to
18 the SRU for processing. The project
19 consists of the installation of a new
20 blower or eductor and associated piping.
21 The emissions impacts from these
22 projects have been evaluated and
23 confirmed to be below threshold levels
24 and include a significant reduction in
25 sulfur emissions.

1 The Flare application includes the
2 installation of the previously approved
3 Flare Gas Management Project. The
4 primary purpose of this project is to
5 reduce flaring and associated emissions
6 from both flares. The project consists
7 of the installation of gas recovery
8 compressors, a new amine contactor
9 (included in the SRU application), a
10 hydrogen sulfide monitoring system and
11 associated piping and instrumentation.
12 The emission impacts from this project
13 have been evaluated and confirmed to be
14 below threshold levels and includes a
15 significant reduction in sulfur
16 emissions. The Oil Movements
17 application includes the installation of
18 carbon canister controls on several
19 storage tanks, accounting for loading
20 changes due to other projects, and the
21 conversion of an MTBE line to a diesel
22 service.

23 The next section of the
24 applications, information is provided on
25 emission sources in the areas and the

1 methods used to determine the emissions
2 associated with each piece of equipment.
3 Emission sources are organized into
4 several categories such as combustion
5 sources, vents, product loading, storage
6 tanks, process fugitive components, and
7 insignificant activities and minor
8 emissions sources. The next several
9 sections of the applications define the
10 applicable Louisiana and Federal air
11 quality regulatory requirements by
12 regulation and by source. The next
13 section of the applications contains the
14 certification of compliance statement
15 and an attestation from the responsible
16 official, in our case the refinery
17 manager, that the information provided
18 in each application is true, accurate
19 and complete.

20 The last several sections of the
21 applications document the specific
22 emissions associated with each emission
23 source. In addition, information is
24 provided on the specific source stack
25 characteristics, flow parameters and

1 operating conditions, where applicable.
2 Several appendices are included in each
3 application to provide additional
4 information. The first appendix
5 provides sample calculations detailing
6 the approach used to generate emissions
7 for each type of source. The appendix
8 also includes a summary of the emission
9 changes due to the projects. The second
10 appendix provides details on the types
11 of activities, frequencies of occurrence
12 and emissions associated with the minor
13 emissions sources and insignificant
14 activities. The third appendix lists
15 several proposed specific permit
16 conditions that Chalmette Refining is
17 requesting to be included in the permit.
18 In addition this section contains an
19 analysis of existing permit specific
20 conditions that pertain to the areas and
21 the revisions that Chalmette Refining is
22 requesting. The fourth appendix
23 contains the Associated Environmental
24 Assessment Statement which addresses
25 avoidance of potential and real

1 environmental effects, the balancing of
2 social and economic benefits against the
3 environmental impact costs, and
4 alternative sites, projects, and
5 mitigation measures. This section
6 demonstrates that any potential
7 environmental impacts resulting from
8 these unit operations have been
9 considered and minimized. The section
10 addresses in detail the five
11 Environmental Impact Questions. The
12 responses to the questions indicate that
13 the equipment associated with these
14 areas is operated efficiently to reduce
15 emissions and utilize clean burning
16 refinery fuel gas as the heat source for
17 the heaters. The emissions from the
18 equipment will be controlled to levels
19 required by applicable regulations.

20 The equipment associated -- excuse
21 me, the equipment is located within the
22 refinery which is zoned industrial.
23 Solid waste generation is expected to be
24 minimal and will be treated and disposed
25 of in accordance with the applicable

1 Federal, State and local laws and
2 regulations. There is no onsite
3 treatment or disposal of solid and/or
4 hazardous wastes. Any wastewater
5 generated by equipment will be treated
6 in the refinery's existing Waste Water
7 Treatment Plant System which complies
8 with the applicable water discharge
9 permit limits. Storm water is likewise
10 handled by existing systems and
11 collected and discharged in accordance
12 with the discharge permit. Water
13 required by the equipment will be
14 provided by the existing refinery water
15 treatment systems. There are no
16 significant ecological impacts expected
17 from the operation of the equipment in
18 these areas. Finally, continued
19 operation of the referenced units and
20 areas will likely result in positive
21 socioeconomic impacts on the local,
22 regional, and state economy through
23 wages, operational and capital spending
24 and tax revenues.

25 Chalmette Refining is committed to

1 improving the performance of the
2 refinery and is investing over 200
3 million dollars on environmental
4 projects to reduce emissions and improve
5 operational performance. As part of
6 this, Chalmette Refining has completed
7 the installation and operation of three
8 local air monitoring sites. In
9 addition, Chalmette Refining provides a
10 number of benefits to the local
11 community through direct contributions
12 to local organizations, and ongoing
13 outreach programs. The fifth and last
14 appendix contains Chalmette Refining's
15 analysis of potential compliance issues
16 and proposed actions to resolve these
17 compliance issues.

18 As you see the development of
19 these applications for the referenced
20 units and areas was a major undertaking
21 that required the effort of a number of
22 people over several months. The
23 culmination of these efforts are the
24 applications and resulting draft permits
25 that are being discussed today.

1 Chalmette Refining is making significant
2 efforts to lower emissions from our
3 operations. We feel that our employees
4 and neighbors deserve nothing less.
5 Thank you for your attention.

6 MR. WARD:

7 Thank you, Ms. Walk. I don't have
8 any other speaker registration form. Is
9 there anybody who'd like to speak? It's
10 the policy of the DEQ to keep these
11 meetings open for at least one hour so
12 what we're going to do is go off the
13 record. If somebody wants to speak
14 we'll go back on the record or if
15 somebody comes in we'll go back on the
16 record. We're off the record. We'll
17 recess. Thank you.

18 (OFF THE RECORD)

19 MR. WARD:

20 We're back on record. Is there
21 anybody else who'd like to speak? If
22 there's no other comments I would like
23 to remind you that the comment period
24 for the proposed initial Part 70 air
25 operating permits and the associated

1 Environmental Assessment Statement for
2 Chalmette Refining, LLC, Chalmette
3 Refinery, ends at 12:30 p.m., Monday,
4 May 15, 2006. I have received a total
5 of zero exhibits for this hearing. If
6 there are no other comments, I would
7 like to thank you for your attention and
8 participation in this hearing. Let the
9 record reflect that the time is 6:58
10 p.m. This hearing is closed. Thank
11 you.

12
13 WHEREUPON, THE HEARING ENDED AT 6:58 P.M.

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1 R E P O R T E R ' S P A G E

2 I, Mark LaCour, Certified Court
3 Reporter, in and for the State of Louisiana,
4 the officer, as defined in Rule 28 of the
5 Federal Rules of Civil Procedure and/or
6 Article 1434(b) of the Louisiana Code of Civil
7 Procedure, before whom this sworn testimony
8 was taken, do hereby state on the record:

9 That due to the interaction in the
10 spontaneous discourse of this proceeding,
11 dashes (--) have been used to indicate pauses,
12 changes in thought, and/or talk overs; that
13 same is the proper method for a Court
14 Reporter's transcription of proceeding, and
15 that the dashes (--) do not indicate that
16 words or phrases have been left out of this
17 transcript.

18 Also, any words and/or names which could
19 not be verified through reference material
20 have been denoted with the phrase
21 "(inaudible)."
22
23

24 Mark LaCour, C.C.R.

25 # 89054

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C E R T I F I C A T I O N

I, the undersigned reporter, do hereby
certify that the above and foregoing is a true
and correct transcription of the stenomask
tape of the proceedings had herein, taken down
by me and transcribed under my supervision, to
the best of my ability and understanding, at
the time and place hereinbefore noted, in the
above-entitled cause.

I further certify that the witness was
duly sworn by me in my capacity as a Certified
Court Reporter pursuant to the provisions of
R.S. 37:2551 et seq. in and for the state of
Louisiana; that I am not of counsel nor
related to any of the counsel of any of the
parties, nor in the employ of any of parties,
and that I have no interest in the outcome of
this action.

I further certify that my license is in
good standing as a court reporter in and for
the state of Louisiana.

24
25

Mark LaCour, C.C.R.

89054